



DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 285

[Docket No. Fiscal-2021-0007]

RIN 1530-AA21

Debt Collection Authorities under the Debt Collection Improvement Act of 1996

AGENCY: Bureau of the Fiscal Service, Fiscal Service, Treasury.

ACTION: Notice of proposed rulemaking with request for comment.

SUMMARY: The Department of the Treasury (“Treasury”), Bureau of the Fiscal Service (“Fiscal Service”), proposes to amend its regulations regarding the Treasury Offset Program (“TOP”) and the Cross-Servicing program. The primary reason for doing so is to inform the public about how Fiscal Service will use Social Security numbers in mailings, as required by the Social Security Number Fraud Prevention Act of 2017, which requires Fiscal Service to have final regulations in place by September 15, 2022.

DATES: Comments must be received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Fiscal Service participates in the U.S. Government’s eRulemaking Initiative by publishing rulemaking information on www.regulations.gov. Regulations.gov offers the public the ability to comment on, search, and view publicly available rulemaking materials, including comments received on rules.

Instructions for comment submission:

Comments on this proposed rule, identified by docket FISCAL-2021-0007, should only be submitted using the Federal eRulemaking Portal at [regulations.gov](https://www.regulations.gov). Follow the instructions on the Web site for submitting comments.

All submissions received must include the agency name (“Bureau of the Fiscal Service”) and docket number (“FISCAL-2021-0007”) for this rulemaking. In general, comments will be published on Regulations.gov without change, including any business or personal information provided. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Tawanna Edmonds, Director, Receivables Management & Debt Services Division, Debt Management Services, Bureau of the Fiscal Service at (202) 874-6810.

SUPPLEMENTARY INFORMATION:

I. Background

Legal Authorities. The Debt Collection Improvement Act of 1996 (“DCIA”), Public Law 104-134, 110 Stat. 1321-358 et seq. (April 26, 1996), among other things, authorized Federal agencies to refer Federal nontax debt to Treasury for collection services. *See* 31 U.S.C. 3711(g). The DCIA also authorized Federal disbursing officials to withhold eligible Federal nontax payments to pay the payee’s delinquent nontax debt owed to the United States. *See* 31 U.S.C. 3716(c). The DCIA also provided that Federal nontax payments may be offset to collect delinquent debt owed to States, including past-due support, and that payments made by States may be offset to collect delinquent nontax debt owed to the United States. *See* 31 U.S.C. 3716(h). Further, Federal tax refund payments may be offset to collect nontax debt owed to the United States and debt owed to States, including past-due support. *See* 26 U.S.C. 6402, 31 U.S.C. 3720A, and 42 U.S.C. 664.

Cross-Servicing program. Fiscal Service administers the Cross-Servicing program, through which it provides delinquent nontax debt collection services pursuant to 31 U.S.C. 3711(g).

Centralized Receivables Service. Fiscal Service administers the Centralized Receivables Service, or CRS, through which it provides invoicing and early delinquent debt collection services to Federal agencies under 31 U.S.C. 3711(g).

Treasury Offset Program. Fiscal Service administers a centralized offset program, known as the Treasury Offset Program, or TOP, through which it offsets payments to collect debts.

Revision of Existing Regulations. Fiscal Service promulgated 31 CFR 285.12 to implement 31 U.S.C. 3711(g). Among other things, the regulation codified at 31 CFR 285.12 describes the procedures and criteria for transferring delinquent debt to Treasury. It also explains the statutory exceptions to this requirement and the standards under which the Secretary of the Treasury will determine whether to grant exemptions to this requirement.

Fiscal Service promulgated 31 CFR part 285, subpart A to implement the centralized offset of payments through TOP, pursuant to the Debt Collection Improvement Act of 1996.

Fiscal Service proposes to revise the regulations codified at 31 CFR part 285, subpart A, and 31 CFR 285.12 (together, the “existing regulations”) for several reasons. The primary reason for doing so is to inform the public about how Fiscal Service will use Social Security numbers in mailings, as required by the Social Security Number Fraud Prevention Act of 2017, which requires Fiscal Service to have final regulations in place by September 15, 2022. The proposed rule also adds definitions for previously undefined terms and rewords certain provisions for clarity, consistent with the requirements of the Plain Writing Act of 2010 and Executive Order 12866 (Sept. 1993).

II. Section Analysis

This section describes, section-by-section, the reasoning for the proposed revision (the “proposed rule”) of the existing regulations. Fiscal Service acknowledges that many of the provisions regarding the use of SSNs is repetitive. This repetition is necessary given the current structure of the rules. Fiscal Service may address this repetition in a subsequent regulation.

285.1(q) – Social Security Numbers

The proposed rule would add § 285.1(q) to address how Fiscal Service uses SSNs in TOP for offset of Federal nontax payments to collect past-due support, as required by the SSN Act.

285.3(m) – Social Security Numbers

The proposed rule would add § 285.3(m) to address how Fiscal Service uses SSNs in TOP for offset of Federal tax payments to collect past-due support, as required by the SSN Act.

285.5(l) – Social Security Numbers

The proposed rule would add § 285.5(l) to address how Fiscal Service uses SSNs in TOP for offset of Federal nontax payments to collect nontax debts owed to the United States, including offset of Federal tax refunds (*see* § 285.2), Federal benefit payments (*see* § 285.4), and Federal salary payments (*see* § 285.7), as required by the SSN Act.

285.6(n) – Social Security Numbers

The proposed rule would add § 285.6(n) to address how Fiscal Service uses SSNs in TOP for offset of Federal nontax payments to collect state debts and the offset of payments made by States to collect Federal nontax debts, as required by the SSN Act.

285.8(k) – Social Security Numbers

The proposed rule would add § 285.8(k) to address how Fiscal Service uses SSNs in TOP for offset of Federal tax payments to collect certain debts owed by States, as required by the SSN Act.

285.12(a) – Definitions

Centralized Receivables Service. The proposed rule would add a definition for the term “Centralized Receivables Service,” which is not used in the existing regulation. The Centralized Receivable Service, or CRS, is a program established by Fiscal Service to assist Federal agencies in the management of current, non-tax receivables. CRS aims to increase collections and prevent delinquencies while allowing agencies to focus on important core missions. CRS also provides early delinquent debt collection services. While Federal agencies are generally required to refer Federal nontax delinquent debts over 120 days delinquent (or, in some cases, 180 days

delinquent) to the Cross-Servicing program, Federal agencies may use CRS in their discretion.

The proposed rule describes the CRS program to inform the public of the existence of this program and to comply with the SSN Act, which requires Fiscal Service to address how it uses SSNs in its mailings. See § 285.12(k) of the proposed rule.

Cross-Servicing program. The proposed rule would add a definition for the term “Cross-Servicing program,” which is used but undefined by the existing regulation. The proposed rule would also remove language from § 285.12(b) describing the term “cross-servicing.”

Days delinquent. The proposed rule would add a definition for the term “days delinquent,” which is used but undefined by the existing regulation. The definition is intended to provide additional clarity, but not substantively change the meaning of the term.

Debt collection center. The proposed rule would make conforming changes given the definitions for “Federal agency” and “Secretary.”

Debtor. The proposed rule would add a definition for the term “debtor,” which is used but undefined by the existing regulation. The definition is intended to provide additional clarity, but not substantively change the meaning of the term.

Delinquent or past-due. The proposed rule would add a definition for the term “delinquent or past-due,” which is used but undefined by the existing regulation. The definition is intended to provide additional clarity, but not substantively change the meaning of the term. The proposed rule would also remove language from § 285.12(c)(3) that included a description of the meaning of the term “past-due.”

Federal agency. The proposed rule would replace the term “agency” with “Federal agency.” The definition itself would remain unchanged. This proposed change is intended to provide clarity, but not a substantive change in meaning.

Legally enforceable. The proposed rule would add a definition for the term “legally enforceable,” which is used but undefined by the existing regulation. The definition is similar to the definition for “legally enforceable” that is used in regulations governing Fiscal Service’s

administration of the Treasury Offset Program. *See* 31 CFR 285.5(b). An agency may have made a final agency determination that the debt is owed and is legally enforceable, even if the debtor has or may in the future appeal the debt with the agency or otherwise dispute the debt. If an agency has complied with due process prerequisites and if the agency's regulations do not preclude collection during an appeal, a pending appeal will not preclude the agency from referring the debt to the Cross-Servicing program for collection purposes. Debts that are not legally enforceable may not be referred to the Cross-Servicing program for collection purposes. The proposed rule would also remove language from § 285.12(c)(3), which included a description of the meaning of the term "legally enforceable."

Person. The proposed revision to the definition "person" is not a substantive change. It is intended to clarify that, for the purposes of this regulation, a person (and therefore a debtor) cannot be the United States.

285.12(b) – In general

The existing regulation describes the requirement for Federal agencies to refer delinquent debts to Treasury for collection action, exceptions to this requirement, and what actions Fiscal Service will take on referred debt. The existing regulation does not describe CRS. The proposed rule expands the scope of this regulation from the Cross-Servicing program to include both the Cross-Servicing program and CRS.

285.12(c) – Mandatory transfer of debts to Fiscal Service's Cross-Servicing program.

The proposed rule would amend the title to paragraph (c) to make clear that the provisions of paragraph (c) apply only to the Cross-Servicing program, and not also to CRS, which is not mentioned in the existing regulation.

The proposed rule would reorganize paragraph (c) for clarity and to eliminate unnecessary language. The proposed rule would clarify that debts are not subject to mandatory transfer if they are not legally enforceable or if they are below the threshold established by Fiscal Service.

It would use the term “centralized offset” which refers to offset through TOP, rather than the term “administrative offset,” which can include non-centralized offsets performed outside of TOP.

The proposed rule would define the terms “legally enforceable” and “past due” in the definition section of the regulation, rather than embedding the definitions into the substantive provisions of the regulation.

The proposed rule would eliminate the provision permitting agencies to combine individual debts for purposes of meeting the \$25 threshold (or such other threshold as Fiscal Service may determine). The permissibility of aggregating debts into a single debt file may be addressed in separate guidance that Fiscal Service may issue.

285.12(d) – Exceptions to mandatory transfer.

The proposed rule would amend paragraph (d)(1), which addresses exceptions to the requirement that agencies refer delinquent debt to the Cross-Servicing program. As described below, this proposed rule would delete paragraph (e), which addresses the schedule of private collection contractors. The proposed rule would restore the statutory exemption standard regarding private collection contractors. The proposed rule would move concepts from current paragraph (d)(6), which addresses the servicing and collection of debts by third parties, to paragraph (d)(1)(vi).

The proposed rule would amend paragraph (d)(4), which addresses internal offset, to streamline and clarify the language.

The proposed rule would amend paragraph (d)(5), which addresses requests for exemption of classes of debt from the requirement to refer debts to the Cross-Servicing program, by adding a title to the paragraph for clarity.

As described above, the proposed rule would delete paragraph (d)(6), which addresses the servicing and collection of debts by third parties, as those concepts were moved to paragraph (d)(1)(vi).

285.12(e) – Schedule of private collection contractors

The proposed rule would delete paragraph (e), as it merely repeats the statutory requirement that Fiscal Service maintain a schedule of private collection contractors. To the extent an agency determines that referral of a debt to its own private collection contractor rather than referral to Fiscal Service's Cross-Servicing program is appropriate, the agency should request an exemption from referral under the procedures specified in paragraph (d)(5).

285.12(i) – Certification

The proposed rule would substitute the word “delegatee” to “delegate.” The change in terminology is intended to make the language of the regulation consistent with other uses of the term. It is not intended to result in a substantive change in meaning.

285.12(j) – Fees

The proposed rule would delete unnecessary language regarding the term “debt collection centers,” which is defined in paragraph (a). It would also clarify that the fees are charged to Federal agencies (as opposed to debtors), regardless of whether a Federal agency passes on the amount of fees charged with regard to a particular debt to the debtor. It would also clarify that Fiscal Service and other debt collection centers have broad flexibility regarding how they calculate fees.

285.12(k) – Social Security Numbers

The proposed rule would add § 285.12(k) to address how Fiscal Service will use SSNs in its Cross-Servicing program and in CRS, as required by the SSN Act.

III. Procedural Analyses

Federalism

This proposed rule has been reviewed under Executive Order 13132, Federalism. This proposed rule would not have substantial direct effects on States, on the relationship between the National Government and the States, or on distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 13132, it is determined that this proposed rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

Paperwork Reduction Act

The Paperwork Reduction Act does not apply because this proposed rule would not impose information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq.

Regulatory Flexibility Act Analysis

It is hereby certified that the proposed rule would not have a significant economic impact on a substantial number of small entities because this proposed rule only impacts persons who receive payments from Federal agencies or States and who are delinquent on debts owed to Federal agencies or States. Accordingly, an initial regulatory flexibility analysis under the Regulatory Flexibility Act is not required. Fiscal Service seeks comment on whether the certification made herein should be reconsidered and, if so, on what basis.

Regulatory Planning and Review

This proposed rule does not meet the criteria for a “significant regulatory action” as defined in Executive Order 12866. Therefore, the regulatory review procedures contained therein do not apply.

Unfunded Mandates Act of 1995

Section 202 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1532 (Unfunded Mandates Act), requires that the agency prepare a budgetary impact statement before promulgating any rule

likely to result in a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year. If a budgetary impact statement is required, section 205 of the Unfunded Mandates Act also requires the agency to identify and consider a reasonable number of regulatory alternatives before promulgating the rule. We have determined that this proposed rule would not result in expenditures by State, local, and tribal governments, or by the private sector, of \$100 million or more in any one year. Accordingly, we have not prepared a budgetary impact statement or specifically addressed any regulatory alternatives.

List of Subjects in 31 CFR Part 285

Administrative practice and procedure, Black lung benefits, Child support, Child welfare, Claims, Credit, Debts, Disability benefits, Federal employees, Garnishment of wages, Hearing and appeal procedures, Income taxes, Loan programs, Payments, Privacy, Railroad retirement, Railroad unemployment insurance, Salaries, Social Security benefits, Supplemental Security Income, Taxes, Unemployment compensation, Veteran's benefits, Wages.

For the reasons set forth in the preamble, Fiscal Service proposes to amend 31 CFR part 285 as follows:

PART 285 – DEBT COLLECTION AUTHORITIES UNDER THE DEBT COLLECTION IMPROVEMENT ACT OF 1996

1. The authority citation for part 285 continues to read as follows:

Authority: 5 U.S.C. 5514; 26 U.S.C. 6402; 31 U.S.C. 321, 3701, 3711, 3716, 3719, 3720A, 3720B, 3720D; 42 U.S.C. 664; E.O. 13019, 61 FR 51763, 3 CFR, 1996 Comp., p. 216.

2. In § 285.1, add paragraph (q) to read as follows:

§ 285.1 Collection of past-due support by administrative offset.

* * * * *

(q) *Social Security numbers.* Fiscal Service will ensure that an individual's Social Security number will not be visible on the outside of any package it sends by mail. In addition, Fiscal

Service generally will redact or partially redact Social Security numbers in documents it sends by mail; however, to administer administrative offset, Fiscal Service (and other disbursing officials) may include Social Security numbers in mailed documents, including, for example:

- (1) In interoffice and interagency communications;
- (2) In notices, including notices to the debtor or payee that an offset has or will occur, when the Social Security number is (or is embedded in) a creditor agency's account number, debt identification number, or debtor identification number;
- (3) In response to a request of a debtor or a debtor's representative for records of Fiscal Service's offset activities; and
- (4) When required by law.

3. In § 285.3, add paragraph (m) to read as follows:

§ 285.3 Offset of tax refund payments to collect past-due support.

* * * * *

(m) *Social Security numbers.* Fiscal Service will to ensure that an individual's Social Security number will not be visible on the outside of any package it sends by mail. In addition, Fiscal Service generally will redact or partially redact Social Security numbers in documents it sends by mail; however, to administer the tax refund offset program, Fiscal Service (and other disbursing officials) may include Social Security numbers in mailed documents, including, for example:

- (1) In interoffice and interagency communications;
- (2) In notices, including notices to the debtor or payee that an offset has or will occur, when the Social Security number is (or is embedded in) a creditor agency's account number, debt identification number, or debtor identification number; and
- (3) In response to a request of a debtor or a debtor's representative for records of Fiscal Service's offset activities;
- (4) When required by law.

4. In § 285.5, add paragraph (l) to read as follows:

§ 285.5 Centralized offset of Federal payments to collect nontax debts owed to the United States.

* * * * *

(l) *Social Security numbers.* Fiscal Service will ensure that an individual's Social Security number will not be visible on the outside of any package it sends by mail. In addition, Fiscal Service generally will redact or partially redact Social Security numbers in documents it sends by mail; however, to administer the Treasury Offset Program, Fiscal Service (and other disbursing officials) may include Social Security numbers in mailed documents, including, for example:

(1) In interoffice and interagency communications;

(2) In notices, including notices to the debtor or payee that an offset has or will occur, when the Social Security number is (or is embedded in) a creditor agency's account number, debt identification number, or debtor identification number;

(3) In response to a request of a debtor or a debtor's representative for records of Fiscal Service's offset activities; and

(4) When required by law.

5. In § 285.6, add paragraph (n) to read as follows:

§ 285.6 Administrative offset under reciprocal agreements with states.

* * * * *

(n) *Social Security numbers.* Fiscal Service will ensure that an individual's Social Security number will not be visible on the outside of any package it sends by mail. In addition, Fiscal Service generally will redact or partially redact Social Security numbers in documents it sends by mail; however, to administer administrative offset, Fiscal Service (and other disbursing officials) may include Social Security numbers in mailed documents, including, for example:

(1) In interoffice and interagency communications;

(2) In notices, including notices to the debtor or payee that an offset has or will occur, when the Social Security number is (or is embedded in) a creditor agency's account number, debt identification number, or debtor identification number;

(3) In response to a request of a debtor or a debtor's representative for records of Fiscal Service's offset activities; and

(4) When required by law.

6. In § 285.8, add paragraph (k) to read as follows:

§ 285.8 Offset of tax refund payments to collect certain debts owed to States.

* * * * *

(k) *Social Security numbers.* Fiscal Service will ensure that an individual's Social Security number will not be visible on the outside of any package it sends by mail. In addition, Fiscal Service generally will redact or partially redact Social Security numbers in documents it sends by mail; however, to administer the tax refund offset program, Fiscal Service (and other disbursing officials) may include Social Security numbers in mailed documents, including, for example:

(1) In interoffice and interagency communications;

(2) In notices, including notices to the debtor or payee that an offset has or will occur, when the Social Security number is (or is embedded in) a creditor agency's account number, debt identification number, or debtor identification number;

(3) In response to a request of a debtor or a debtor's representative for records of Fiscal Service's offset activities; and

(4) When required by law.

7. § 285.12 is amended by:

a. Removing the words "an agency" and "An agency" and adding in their place the words "a Federal agency" and "A Federal agency", respectively;

b. Removing the words "the agency" and "the agency's" and adding in their place the words "the Federal agency" and "the Federal agency's", respectively;

- c. In paragraph (a):
 - i. Removing the definition for “Agency”,
 - ii. Adding in alphabetical order definitions for “Centralized Receivables Service,” “Cross-Servicing program,” and “Days delinquent”;
 - iii. Removing the words “Secretary of the Treasury” and adding in their place the words “Secretary” in the definition for “Debt collection center”;
 - iv. Adding in alphabetical order definitions for “Debtor,” “Delinquent or past-due,” “Federal agency,” and “Legally enforceable”; and
 - v. Removing the words “a Federal agency” and adding in their place the words “the United States or a Federal agency” in the definition for “Person”;
- d. Revising paragraphs (b), (c), and (d)(1)(iii);
- e. Removing the word “or” at the end of paragraph (d)(1)(v);
- f. Redesignating paragraph (d)(1)(vi) as paragraph (d)(1)(vii);
- g. Adding a new paragraph (d)(1)(vi),
- h. Revising paragraphs (d)(4) and (d)(5) introductory text;
- i. Removing paragraph (d)(6);
- j. Removing and reserving paragraph (e);
- k. In paragraph (i), removing the words “delegatee” and “the Federal agency” and adding in their place the words “delegate” and “the debt”, respectively;
- l. Revising paragraph (j); and
- m. Adding paragraph (k).

The revisions and additions read as follows:

§ 285.12 Transfer of debts to Treasury for collection.

(a) * * *

Centralized Receivables Service means the program through which Fiscal Service provides servicing, pursuant to 31 U.S.C. 3711(g), for Federal nontax debt from the point at which a

creditor agency establishes a debt until the debt is paid, otherwise resolved, or referred to the Cross-Servicing program for further action.

* * * * *

Cross-Servicing program means the program through which Fiscal Service provides delinquent nontax debt collection services pursuant to 31 U.S.C. 3711(g).

Days delinquent refers to the number of days that a debt has been in a delinquent status. For administrative debts (e.g., debts arising from fines, penalties, and overpayments), the first day of delinquency generally is the date of the creditor agency's initial written demand for payment.

For debts that arise from the extension of credit through direct loans, loan guarantees, or insurance, the date of delinquency generally is the due date specified in the applicable agreement or instrument.

* * * * *

Debtor means a person who owes a debt.

Delinquent or past-due refers to the status of a debt and means a debt has not been paid by the date specified in the creditor agency's initial written demand for payment, or other applicable agreement or instrument, unless other payment arrangements satisfactory to the creditor agency have been made.

Federal agency means a department, agency, court, court administrative office, or instrumentality in the executive, judicial, or legislative branch of the Federal Government, including government corporations.

* * * * *

Legally enforceable refers to a characteristic of a debt and means there has been a final agency determination that the debt, in the amount stated, is due, and there are no legal bars to collection.

A debt would not be legally enforceable, for example, if the debt is:

(1) The subject of a pending administrative review required by a statute or regulation that prohibits collection action during the review process; or

(2) Governed by a statute that precludes collection.

(b) *In general.* Fiscal Service and other debt collection centers may take debt collection action on behalf of one or more Federal agencies or a unit or subagency thereof. Fiscal Service provides these services through its Cross-Servicing program and its Centralized Receivables Service.

(c) *Mandatory transfer of debts to Fiscal Service's Cross-Servicing program.* (1) A debt is considered eligible for transfer to the Cross-Servicing program only if it is past due and is legally enforceable.

(2) Except as set forth in paragraphs (c)(3) and (d) of this section, a creditor agency must transfer any eligible debt that is over \$25 (or such other amount as Fiscal Service may determine) to the Cross-Servicing program by no later than 120 days delinquent if the creditor agency relies on the Cross-Servicing program to submit the transferred debts for centralized offset on the creditor agency's behalf or, otherwise, by no more than 180 days delinquent.

(3) If a final agency determination resulting from an administrative appeal or review process is not made until after the time specified in paragraph (c)(2) of this section, the creditor agency must transfer such debt to the Cross-Servicing program within 30 days after the date of the final decision.

(4) For accounting and reporting purposes, the debt remains on the books and records of the Federal agency, which transferred the debt.

(5) On behalf of the creditor agency, Fiscal Service will take appropriate action to collect or compromise the transferred debt, or to suspend or terminate collection action thereon.

Appropriate action to collect a debt may include referral to another debt collection center, a private collection contractor, or the Department of Justice for litigation. The creditor agency must advise Fiscal Service, in writing, of any specific statutory or regulatory requirements pertaining to its debt and will agree, in writing, to a collection strategy, which includes parameters for entering into compromise and repayments agreements with debtors.

(d) * * *

(1) * * *

(iii) Is at a private collection contractor if the debt has been referred to a private collection contractor for a period of time determined by the Secretary;

* * * * *

(vi) Is being serviced and/or collected in accordance with applicable statutes and/or regulations by third parties, such as private lenders or guaranty agencies; or

* * * * *

(4) A debt is being collected by internal offset if a creditor agency expects the debt to be collected in full within three (3) years from the date of delinquency through the withholding of funds payable to the debtor by the creditor agency, or if the creditor agency has issued notice to the debtor of the creditor agency's intent to offset such funds.

(5) The secretary may exempt classes of debt from mandatory referral.

* * * * *

(j) *Fees.* Fiscal Service and other debt collection centers may charge Federal agencies fees sufficient to cover the full cost of providing debt collection services authorized by this section. Fiscal Service and other debt collection centers may calculate fees in any manner designed to cover up to the full cost of providing these services, including based on a percentage of collections received on account of a debt while it was being serviced under this section or a flat fee based on actions taken under this section by Fiscal Service or another debt collection center with regard to a debt or group of debts. Such fees may be determined based on overall program costs and need not be based on costs related to the collection of a specific debt. Fiscal Service and debt collection centers are authorized to retain fees from amounts collected and may deposit and use such fees in accordance with 31 U.S.C. 3711(g). Fees charged by Fiscal Service and other debt collection centers may be added to the debt as an administrative cost if authorized under 31 U.S.C. 3717(e).

(k) *Social Security numbers.* When conducting activities for or related to its Centralized Receivables Service or Cross-Servicing program, Fiscal Service will ensure that an individual's Social Security number will not be visible on the outside of any package it sends by physical mail or in the subject line of an email. In addition, Fiscal Service generally will redact or partially redact Social Security numbers in documents it sends by mail; however, to administer these programs, Fiscal Service may include Social Security numbers in mailed documents, including, for example:

- (1) In interoffice and interagency communications;
- (2) In communications with private collection contractor and agents that assist Fiscal Service in its debt collection activities;
- (3) In notices and letters, including demand letters and notices to employers regarding wage garnishment, when the Social Security number is (or is embedded in) a creditor agency's account number, debt identification number, or debtor identification number;
- (4) In notices to employers regarding wage garnishment;
- (5) In response to a request of a debtor or a debtor's representative for records of Fiscal Service's collection activities; and
- (6) When required by law.

David A. Lebryk,

Fiscal Assistant Secretary.